

# INTRODUCTION OF THE RETIREE CONTINUATION COVERAGE ACT OF 1995

**HON. TIM JOHNSON**

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 2, 1995*

Mr. JOHNSON of South Dakota. Mr. Speaker, today, I am introducing legislation, the Retiree Continuation Coverage Act of 1995, to help address the terrible problem that occurs when health care benefits are eliminated for retirees and their dependents. A very tragic situation occurred in my home State of South Dakota earlier this year when the John Morrell and Co. canceled insurance benefits for more than 3,300 former employees and their dependents, 1,200 of whom live in South Dakota. This heartless and irresponsible action has had a direct and immediate impact on those retirees who have lost health care benefits they thought were guaranteed for life. Many of these retirees have preexisting conditions, making private insurance either unaffordable or simply unattainable, since many private insurance plans refuse to provide coverage. And a number of these individuals do not yet qualify for the Medicare Program, as they have yet to turn 65.

My legislation would extend COBRA coverage to retirees, their spouses, and dependents in situations where health care benefits sponsored by a retirees' former employer are either eliminated or substantially reduced. This extension of COBRA would remain in effect until the retiree, spouse, or dependents reach Medicare eligibility.

In doing this, early retirees—those under the age of 65—would be able to purchase health insurance coverage at group rates until they become eligible for the Medicare Program. There is a great need for this legislation, unfortunately, I am afraid that many more early retirees who are counting on their health insurance benefits for the rest of their life will instead have their hard work and dedication rewarded with a letter from their former employer saying their insurance has been canceled effective immediately. This simply cannot continue to occur. It isn't fair, and it isn't right.

I urge my colleagues to support this important legislation and help address this serious and growing situation of early retirees losing their health insurance benefits. Similar legislation is being introduced in the Senate by Senate minority leader DASCHLE of South Dakota.

# THE PHYSICIAN SELF-REFERRAL IMPROVEMENT ACT OF 1995

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 2, 1995*

Mr. STARK. Mr. Speaker, I am today introducing legislation to clarify, simplify, and improve the Medicare and Medicaid physician self-referral legislation, while maintaining its important protections against abuse of patients and expensive over-utilization and over-billing of the Medicare and Medicaid Programs.

Last month, when Caremark International Inc., a former health care giant pleaded guilty

to Federal fraud and kickback charges, two physicians were accused along with the company. It is predicted that several hundred more doctors eventually could face criminal prosecution before the investigation concludes—that is because Caremark's guilty pleas stemmed from paying doctors to induce referrals of Medicare and Medicaid patients to the company's several home care businesses. Although the Caremark case is not a pure physician self-referral case, it confirms that physicians are vulnerable—vulnerable to greed; vulnerable to pay-offs; and vulnerable to temptation.

Without a doubt, physician self-referral is bad for the public and bad for the patient. Study after study has shown that it inevitably encourages unnecessary duplication and overutilization of facilities and services, producing an overall significant increase in cost to the patient and to the Treasury in higher Medicare and Medicaid payments. As shown by the Caremark case, this type of unethical arrangement gives doctors powerful incentives to bend their professional judgment. Without laws to prohibit abusive arrangements, doctors will continue to drift toward the opinion that medicine is just a business, and patients are theirs to be bought and sold.

Clarification of current law is necessary. Perhaps the main problem with the law is the administration's inexcusable delay in releasing the antireferral regulations. The lack of guidance has contributed to both confusion of the doctors and to the bank accounts of lawyers, who have often created unnecessary fears about the legislation. We must clarify, where necessary, without creating loopholes that would essentially negate the law. Last year, we worked extensively with a number of provider groups and organizations to draft amendments during health reform, which were included in H.R. 3600, but that unfortunately did not pass. Today, I offer legislation to amend and clarify the physician self-referral law.

Today's bill includes a number of provisions designed to make the law clearer, more workable, and more acceptable to the provider community. The bill does the following: repeals the exception for physicians' services; includes durable medical equipment and parenteral and enteral nutrients, equipment and supplies in the exception for in-office ancillary services; excepts shared facility services that are furnished under certain conditions; creates a prepaid plan exception in the case of a designated health service, if the designated health service is included in the services for which a physician or physician group is paid only on a capitated basis by a health plan pursuant to a written arrangement and in which the physician or the physician group assumes financial risk for those services; includes an exception to the prosthetics, orthotics, and prosthetic devices and supplies designated health service by providing for prosthesis replacing the lens of an eye, eyeglasses, or contact lenses; and exceptions relating to compensation arrangements are deleted and language is inserted to define an acceptable compensation arrangement.

Physician self-referral has no inherent social value, biases the judgment of physicians, and compromises their loyalty. As the Caremark case exhibits, physicians are susceptible to the same temptations as any other person. This bill clarifies and simplifies many of the

questions raised by current law while maintaining important protections for patients and for the taxpaying public.

# LUMBERTON, AN ALL AMERICA CITY

**HON. CHARLIE ROSE**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, August 2, 1995*

Mr. ROSE. Mr. Speaker, I rise today to recognize Lumberton, NC.

Over 200 years ago, in the year 1787, two events were occurring simultaneously that would one day result in common good for the people of southeastern North Carolina. For to the north in Philadelphia, the Constitutional Convention, under the eye of George Washington, was drawing up what would become the Constitution of the United States. Far to the south, a small village along a river was being chartered. While the former of these events would shape the path of the new Nation, the latter, a new town called Lumberton, would shape the southeastern area of North Carolina as a center for commerce and trade.

On June 24, 1995, Lumberton was named an All-America City by the National Civic League in Cleveland, OH. No city in the United States is more deserving of this honor. Lumberton and its residents have proven their whole-hearted dedication to their community by overcoming great obstacles placed upon them by chance, not by their own volition. This example of civic pride is undoubtedly at the heart of Lumberton's honor.

Under the leadership of Mayor Ray Pennington, the city government, and the Lumberton Chamber of Commerce, a delegation of community and business leaders traveled to Cleveland to present a case that represents the true character of Lumberton. This city is a place where children grow up and know everyone in their school, where people meet each other in grocery stores, on the street, and in church with a friendly smile. Lumberton is also a place where business thrives and industry is set to move into the 21st century. Most importantly, Lumberton's character exemplifies true caring for others and the community of friends and families who call it home.

Regardless of the challenges that have faced this city, Lumberton has overcome adversity and is a great place to live and work. In Lumberton, three major races, the young and old, and the rich and poor, have come together to create a community with concern and pride.

Today, over 200 years after the Constitution was drafted, and a village began its ascent, I am proud to congratulate Lumberton, an All-America City, on its most deserved award.

# AMENDMENTS TO THE PERISH- ABLE AGRICULTURAL COMMOD- ITIES ACT, 1930

SPEECH OF

**HON. SAM FARR**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, July 28, 1995*

Mr. FARR. Mr. Speaker, I rise to support H.R. 1103 in the strongest possible terms.